

REMARKS

The Office Action mailed January 28, 2005 has been received and reviewed. Claims 1-28 are pending, with claims 8, 1-15 and 20-28 being withdrawn. Claims 1-7, 9, 10 and 16-19 are rejected. The preamble of claim 1 is amended for clarification. The Applicant submits that for the reasons stated hereinafter, the claims as originally submitted are in condition for allowance.

Rejection Of Claims 1-7, 9, 10 And 16-19 Under 35 U.S.C. § 103

Claims 1-7, 9, 10 and 16-19 are rejected under 35 U.S.C. § 103 as being unpatentable over Gould, et al. (USP 4,300,040) ("Gould") in view of Fredman (USP 6,526,393). The Examiner states that Gould discloses a method for renting and returning videos as claimed, including dispensing a rental video upon payment and returning the rented video by mail. The Examiner states that Gould does not disclose providing a postage prepaid envelope for return of the video, but that Fredman teaches prepaid postage provided by a vendor to a customer for generating greater response rate from the customer. The Examiner contends that it would have been obvious, therefore, to have provided a convenient way to return a rented item as taught by Gould. The rejection is traversed.

The present invention is directed to a method of providing items of entertainment for purchase, not rental. More specifically, the claimed invention is directed to providing items of entertainment, such as books, magazines, DVD's, CD's and the like for purchase, with the possibility of returning the item for a refund or credit against future purchase should the purchaser decide that he or she does not want to own the item after he/she has purchased it. Thus, the claims require the steps of purchasing the item and then processing a refund or credit in response to the return of the item. The claimed method provides travelers, for example, with the ability to purchase a book, for example, for reading on a plane or in the terminal, and if the purchase decides that he/she does not want to keep the book, the purchaser can return the book for a partial

refund or credit toward future purchases. Alternatively, if the purchaser decides that he/she wants to keep the book, the book is simply kept because the purchaser has already paid the established full purchase price.

Gould is directed to an entirely different objective. Gould discloses, in an alternative embodiment, a method for dispensing videocassettes from a device for limited time rental purposes. As with any conventional video store process, it is expected that the customer pays the rental price for temporary use of the videocassette and then returns the videocassette to a central warehouse. There is no expectation in the Gould device or methodology that the customer is purchasing the videocassette. (See, column 1, lines 18-22, "Due to the high cost of videocassettes, it would also be desirable to provide a system whereby videocassette program material can be rented for a predetermined period of time rather than purchased outright.") Consequently, Gould not only does not disclose means for purchasing the item, as claimed, but contemplates no means or method for processing a refund or credit against future purchases when the item is returned, as claimed. It is well-known in the video rental industry that persons rent a video for a set price and once the rental period is over, the item is simply returned without any refund or credit toward future purchase or even rental. It is more often the case that upon return of a rented item, a further fee is imposed (i.e., late fee or purchase-price fee).

Gould does not teach or suggest the method recited by claims 1-7, 9, 10 and 16-19, specifically regarding the purchase of the item and the means for processing a refund or credit upon its return. Furthermore, as noted by the Examiner, Gould fails to teach or suggest dispensing with the videocassette a pre-addressed, postage-paid indicia for return of the videocassette. Fredman fails to teach any such method or device either. Fredman discloses a method of providing prepaid postage/delivery with an expiration date to encourage expeditious return of an envelope. Thus, Gould and Fredman do not obviate claims 1-7, 9, 10 and 16-19. To establish a *prima facie* case of obviousness, three basic criteria must be met: 1) there must be some suggestion or

motivation to combine the references; 2) there must be a reasonable expectation of success found in the references for the combination, and 3) the references must teach or suggest all of the claim limitations. No motivation is found in either Gould or Fredman for either the combination or the reasonable success of the combination. More importantly, however, both references, even if combinable, fail to teach all of the elements of the claims— specifically, purchasing and the processing of a refund or credit in response to the return of the item. Therefore, claims 1-7, 9, 10 and 16-19 are not obviated.

CONCLUSION

In view of the arguments made, the Applicant submits that claims 1-7, 9, 10 and 16-19 present patentable subject matter, along with claims 8 and 11-15, which depend from allowable claim 1. Reconsideration and allowance of claims 1-19 are requested.

Respectfully submitted,


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